



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: November 19, 2024

TITLE: Review Audit Results and Approve Release of Audited
Financial Statements and Federal Student Financial Aid Audit

Action

Review and Discussion

This item is required by policy

PRESENTERS

Amy Jorgenson, Chief Audit Officer
Bill Maki, Vice Chancellor for Finance and Facilities
Metody Popov, System Director Financial Reporting
Don Loberg, Managing Principal with CliftonLarsonAllen, LLP
Chris Knopik, Principal with CliftonLarsonAllen, LLP
Brenda Scherer, Signing Director with CliftonLarsonAllen, LLP

PURPOSE

Board Policy 1A.2, part 5, subpart E requires the audit committee to “review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.”

BACKGROUND INFORMATION

CliftonLarsonAllen, LLP (CLA) has audited the following financial statements as of and for the years ended June 30, 2024 and 2023:

- Systemwide
- Revenue Fund
- Minnesota North Itasca Student Housing

Copies of the audited financial statements were provided to members of the audit committee for review prior to the November committee meeting. Public copies of reports will be available on Minnesota State’s financial reporting website.

Financial Statement Audit Results

- For all audits:
 - Unmodified opinion
 - No audit adjustments
 - No material weaknesses

Governance Communication

- No major modifications to a required letter is good news as the audit went very well.

Federal Awards Audit Results

CLA has conducted, as required, a compliance audit of Minnesota State's federal student financial aid programs for the year ended June 30, 2024.

Minnesota State's 2024 Schedule of Expenditures of Federal Awards Report for the Year Ended June 30, 2024 has been prepared by CLA as part of its responsibilities as the system auditor for Minnesota State. The results of this report will be incorporated into the State of Minnesota's Single Audit report. This report will be available on the Minnesota Management and Budget website in March 2025.

- Unmodified opinion over compliance for Student Financial Aid (SFA)
 - o CLA reports on noncompliance found in their testing
 - o Unmodified opinion
- No material weaknesses
- SFA significant deficiencies
 - o **Enrollment reporting** – 2 out of 60 students tested were not reported timely and 5 of the 60 were not accurate, involved 4 colleges
 - o **Perkins recordkeeping** – 3 out of 40 students tested did not have a master promissory note retained, involved 2 universities
 - o **Tier one arrangements (Bank Mobile)** – 4 colleges did not provide the URL to the Department of Education for where the contract is located on their website

Please refer to the compliance report for detailed description of the findings.

RECOMMENDED ACTION

The Audit Committee has reviewed the fiscal year 2024 audited financial statements and discussed them with representatives of management and Minnesota State's external auditing firm. The committee recommends the Board of Trustees approve the release of the fiscal year 2024 audited financial statements as submitted.

Date Presented to the Audit Committee: 11/19/24

Date Presented to the Board of Trustees: 11/20/24

Date of Implementation: 11/20/24